

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF BIG SANDY RECC, BLUE)	
GRASS ENERGY COOPERATIVE CORPORATION,)	
CLARK ENERGY COOPERATIVE, CUMBERLAND)	
VALLEY ELECTRIC, FARMERS RECC,)	
FLEMING-MASON ENERGY, GRAYSON RECC,)	
INTER-COUNTY ENERGY COOPERATIVE,)	
JACKSON ENERGY COOPERATIVE, LICKING)	CASE NO.
VALLEY RECC, NOLIN RECC, OWEN ELECTRIC)	2004-00372
COOPERATIVE, SALT RIVER ELECTRIC, SHELBY)	
ENERGY COOPERATIVE, SOUTH KENTUCKY)	
RECC AND TAYLOR COUNTY RECC FOR)	
AUTHORITY TO PASS THROUGH THE)	
ENVIRONMENTAL SURCHARGE OF EAST)	
KENTUCKY POWER COOPERATIVE, INC.)	

COMMISSION STAFF'S FIRST DATA REQUEST
TO THE JOINT APPLICANTS

Pursuant to Administrative Regulation 807 KAR 5:001, Commission Staff requests that Big Sandy Rural Electric Cooperative Corporation ("RECC"), Blue Grass Energy Cooperative Corporation, Clark Energy Cooperative, Cumberland Valley Electric, Farmers RECC, Fleming-Mason Energy, Grayson RECC, Inter-County Energy Cooperative, Jackson Energy Cooperative, Licking Valley RECC, Nolin RECC, Owen Electric Cooperative, Salt River Electric, Shelby Energy Cooperative, South Kentucky RECC, and Taylor County RECC ("Joint Applicants") file the original and 7 copies of the following information with the Commission with a copy to all parties of record. The information requested herein is due November 4, 2004. Each copy of the information requested should be placed in a bound volume with each item tabbed. When a number of sheets are required for an item, each sheet should be appropriately indexed, for

example, Item 1(a), Sheet 2 of 6. Include with each response the name of the witness who will be responsible for responding to questions relating to the information provided. Careful attention should be given to copied material to ensure its legibility. When the requested information has been previously provided in this proceeding in the requested format, reference may be made to the specific location of that information in responding to this request.

1. Refer to the Application, Joint Application Exhibit 4(a) through 4(p).

a. Given the explanation of how the retail environmental surcharge pass through (“ES pass through”) is to be determined, explain in detail why the Joint Applicants’ proposed tariffs reference a Base Environmental Surcharge Factor (“BESF”).

b. If the Joint Applicants are to be billed a dollar amount based on East Kentucky’s monthly environmental surcharge factor, explain how the Joint Applicants would ever have a BESF.

c. Are there any customers of the Joint Applicants that will not be billed the ES pass through?

(1) If yes, list the customer and the customer’s cooperative.

(2) For each customer listed, explain in detail why that customer will not be billed the ES pass through. Include any documentation that establishes why the customer will be excluded.

2. Concerning the billing of the ES pass through to the customers of the Joint Applicants,

a. Is it correct that the ES pass through factor is based on each Joint Applicants' average 12-month revenues exclusive of the ES pass through?

b. As a result of using a percentage of revenues approach for the ES pass through, would it be correct that each of the Joint Applicants could experience over- or under-recoveries of the ES pass through? Explain the response.

c. How do the Joint Applicants propose to handle over- or under-recoveries of the ES pass through?

3. East Kentucky has stated in Case No. 2004-00321¹ that it proposes that the ES pass through factor be calculated and filed at the same time as the wholesale environmental surcharge is filed.

a. Do the Joint Applicants anticipate submitting their respective monthly ES pass through factor in separate filings with the Commission or as a consolidated filing with East Kentucky?

b. Explain the reason(s) why the Joint Applicants believe the anticipated approach is reasonable.



Beth O'Donnell
Executive Director
Public Service Commission
P. O. Box 615
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DATED October 22, 2004

cc: All Parties

¹ Case No. 2004-00321, Application of East Kentucky Power Cooperative, Inc. for Approval of an Environmental Compliance Plan and Authority to Implement an Environmental Surcharge.